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A REVIEW OF THE STATE OF THE ENGLISH NATION.

Saturday, January 12. 1706.

CREDIT, as hitherto Discours'd of, I desire to be understood, as it respects Trade only. The Credit call'd *Fame*, which rais'd from Good Actions, or from a general Rectitude of Conversation and Behaviour, is what *Solomon* calls *a good Name*, I have no design should be concern'd in this part of the Discourse; if I do Engage in the Enquiry after that *prized up Rarity*, it shall be by it self—'Tis a thing so Nice, so full of Counterfeits, so daub'd over with false Varnish, so much worn by Hypocrites, Coveted by Men of Vice, and Neglected by Men of Ignorance, that I do not care for Embarking, in the search of what is so hard to be found; and what, when we have found it, we have so much Difficulty to know, whether it be the true kind or no.

But I am upon the Credit of Trade, which I call *Money's Younger Sister*, because it is her Second in Trade, in many Cases, and on many Occasions, stands in her room, supplies her place, and in her Absence, *for a time*, Answers all the Ends of Money.

No Country in the World makes so much use of this Equivalent in Trade, as the *English*; whether it be occasion'd by the vast and Prodigious Circulation of Home Trade they have, which without doubt, exceeds any Nation in the World, or for what other Reason, I shall not positively determine. *I dare not say it is from any peculiar probity*, or *punctualness in Dealing* beyond other Nations, tho' I am willing to suppose, we have our share of Honesty with other People too; but punctual Payments I believe are more frequent, and the Honour of Appointments more Sacred, speaking in other Countries, than here.

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But as we have a Prodigious Inland Trade, and Buy and Sell vaſt quantities of Goods within our Knowledge, or by Perſonal Recommendation, we give larger Credit than any Nation in the World. 'Tis demanded as a kind of Debt in Trade, and a Young Man, that begins the World with a Thouſand Pound Stock, depends upon it, and may be certain, that he can ſtock his Shop or Ware-houſe, with two Thouſand Pound in Goods, the Remainder he has ſix Months time for, or perhaps more.

Nor is this Credit any Loſs to him in Value, at leaſt in many ſorts of Goods; for he who in a large Trade, deals conſtantly and conſiderably with another, and pays Currently in ſix Months time, ſhall Buy as Cheap, as he that comes now and then, with ſmall Summs of Ready Money in his Hand, and there is great Reaſon he ſhould do ſo.

But the great Injury to Trade, is the little Regard the Tradeſmen in *England*, have to the punctual Compliance with their Times of Payment; he that buys at ſix Months, pays at Nine, or Twelve, runs on Buying and Paying, without exact Regard to Periods of Time, Buys upon Account, and Pays upon Account as he can get it; the Conſequuce of which, is among many, that the Debtor becomes Servant to the Creditor, and which is odd, the Servant pays Wages to the Maſter, is at his Command, cannot diſpute the Price, dares not go away from his Ware-houſe, till at laſt the Diſadvantage of Buying, deprives him of the Profit of Trade, and his Expence Eats upon the Stock: Thus the Man Trades himſelf out of Doors, the Creditor firſt Eats him up in Sale, the Man ſees it, but cannot help himſelf; the Regret of it makes him Careleſs and Deſperate, and at laſt, for that muſt be the Conſequence, he turns Bankrupt, Breakes, and *ſhuts up*; the Creditor ſeizes his Goods, turns his Wife and Children into the Street, the Man gets to the Fleet or Queen's Bench, is taken up with an Eſcape-Warrant, thoſe only Badges of *Engliſh* Cruelty, and is Carry'd to *Newgate*; there he Languiſhes a few Years in Miſery and Poverty, and at laſt Dies for meer Cold and Want; and this is the Unhappy end of the Tradeſmen, Betray'd by too forward Credit into the Snare of Trade.

On this Account, I confeſs, *Credit* in Trade becomes a Snare to the Unwary Perſon, who either by his Original Circumſtances, Reduc'd to the Neceſſity of Trading upon other Mens Stocks, or by the eager graſping at more Trade than he can manage with his own, is hamper'd in Debt, and can never find his way out.

Sometimes a Capital Loſs, reduces a Man to this Neceſſity; and Credit thus given him at firſt as an Honour and Encouragement, ever after grows a load upon the Shoulders, that always grows heavier, as his Strength to bear it Declines.

But this Error in Trade, for ſuch without doubt it is, has grown up into a Publick Miſchief from another Relative Evil—For Credit, like all other Species, begets its kind; the Canker runs through all ſorts of Trade, and then Centers in the laſt Buyer. A Tradeſman takes long Credit, becauſe he gives it, and the farther Goods are remov'd from their Original, the longer Credit is given——And I therefore deſire to enter a little into the Remedy of this Evil, for without doubt it may obtain a Remedy. Moderate Credit punctually Compliy'd with, without doubt is an Advantage to Trade every way; Exorbitant Credit Ruines Trade, reduces Buyer and Seller.

Two things would effectually Cure this Evil, Re-eſtabliſh Trade, and reſtore Credit; of which I ſhall ſpeak in their turn.

1. Punctual Payment at the ſet time, by Contract or Agreement ſtated between Buyer and Seller.

2. No Truſt by Retail.

The leaſt of theſe, would make the firſt feaſible.

As to the firſt, it would lead me directly into the Article of Paper-Credit, which this Diſcourſe is haſtning to; and which if Eſtabliſh'd on a right Foot, might yet be rais'd in all parts of the Nation to ſuch a degree, as would to Infinite Advantage, ſupply the Place, of this Precarious, Uncertain, and Pernicious Credit, that now runs through our Inland Trade, to the

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manifeſt Deſtruction of Trade it ſelf, and the Ruin of Innumerable Families.

And tho' I ſhall but touch it here, yet I cannot but obſerve, that an Eſſay at the General Currency of Inland Bills, which came from a Noble Hand the Laſt Seſſion of Parliament but one, and inſiſted in an Act of Parliament, *tho' that All Bill had little Effect*, has in it, not a Teſt only of the true Notion that Honourable Perſon has of the General Intereſt of Trade, but is a Door opened to all the Nation, to ſee their Remedy too, if they had but the Senſe to cloſe with it.

But Cuſtoms in Trade, frequently make Jeſts of Acts of Parliament, and will go on their own way, tho' to the Deſtruction of the Common Intereſt, in Spight of all the wholſome Laws can be made. 'Tis only opening the Eyes of the Men in Trade, that can bring theſe things to paſs; and how that can be done when their own Intereſt will not do it, I confeſs is hard to imagine.

However, as I am not to be diſcourag'd by the Improbability of Circumſtances, I ſhall make the Eſſay at Reducing Credit to proper Periods, Payments to punctual Compliance; and ſo make the Laws of Trade, as ſacred as thoſe of the Nation. This would make Credit a publick Benefit, 'twould empty our Gaols, prevent Loſs in Trade, leſſen the Number of Bankrupts, and render Trade ſafe; it would ſend Thouſands of Families to work, that run without Foreſight to Shop-keeping, and turn Beggars of Courſe; that cheat the Merchant, reproach Credit, and weaken Trade; and all this will be brought to paſs, by procuring the Currency and punctual Compliance with Inland Bills; of which I ſhall take Occaſion to ſpeak hereafter.

Credit in Trade, like a Surfeit of Bread, is a moſt dangerous Evil, where it proves a Diſtemper; as it is the life of Commerce in ſome Degree, where it is duly obſerv'd.

'Tis true, Trade in ſome Places is carried on without Credit, or at beſt with but very little; as in *America*, where the Species of Money is always at Command, and the Quantity of Caſh exceeds the Goods offered to ſale; but this is a different Caſe: there can be no prodigious Vein or Channel of Trade, run in the World, as runs here without Credit; and it is not the giving Credit, but the taking Credit, that is the Injury to Trade. This taking Credit has innumerable Inconveniences; but all center in not complying with Payments, the Effects of which are as before.

Both Debtor and Creditor are injur'd in this Diſhonourable way of dealing; the Injury to the Debtor I touch'd at already, the Creditor is injur'd in proportion, and by the ſame Method as the Debtor; for by his Diſappointment in the Debtor, on whom he had ſuch Dependance, as to promiſe Payment to another; he fails, and his Credit receives a Wound, and ſo the next; and the Evil ſpreads like the Waves, that puſh one another on to the next Shore, till that Wave that happens to be neareſt, daſhes it ſelf up the Rocks and dies.

It would require a long Digreſſion here to trace the Effects of the Inſolency of one Capital Tradeſman; how many ways the evil ſpreads it ſelf; how many ruin'd Families in Trade had been flouriſhing to this hour, but for ruin'd Families that before them felt the Blow of other Mens Diſaſters; and they of others, and ſo on without end.

I care not to enter the long Chain of Misfortunes that attend the Diſaſter of one Original Knave in Trade, who deſignedly enrolling Credit, and puſhing into the Books of other Men, runs away and leaves a Succeſſion of Diſaſters from Seller to Buyer, and from Buyer to Seller; one breaks another; and he another to the end of Trade: Nay, how often does the Blaſt, barely thrown upon the Credit of a Trading Perſon, whoſe Bottom is in it ſelf ſafe, blow up all his Foundation, and ruin a thriving Man. I am loth to make Reflections upon a late Diſaſter, from a known and moſt villainous Encroachment upon Credit, which mov'd even the Compaſſion of the Government, and procur'd an Act of Parliament to be ſet on foot to prevent fraudulent Ruptures in Trade; becauſe alſo I have ſome reaſon to believe the Fool that acted that open Cheat, not more Criminal than the Agent that impos'd upon and employ'd him.

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